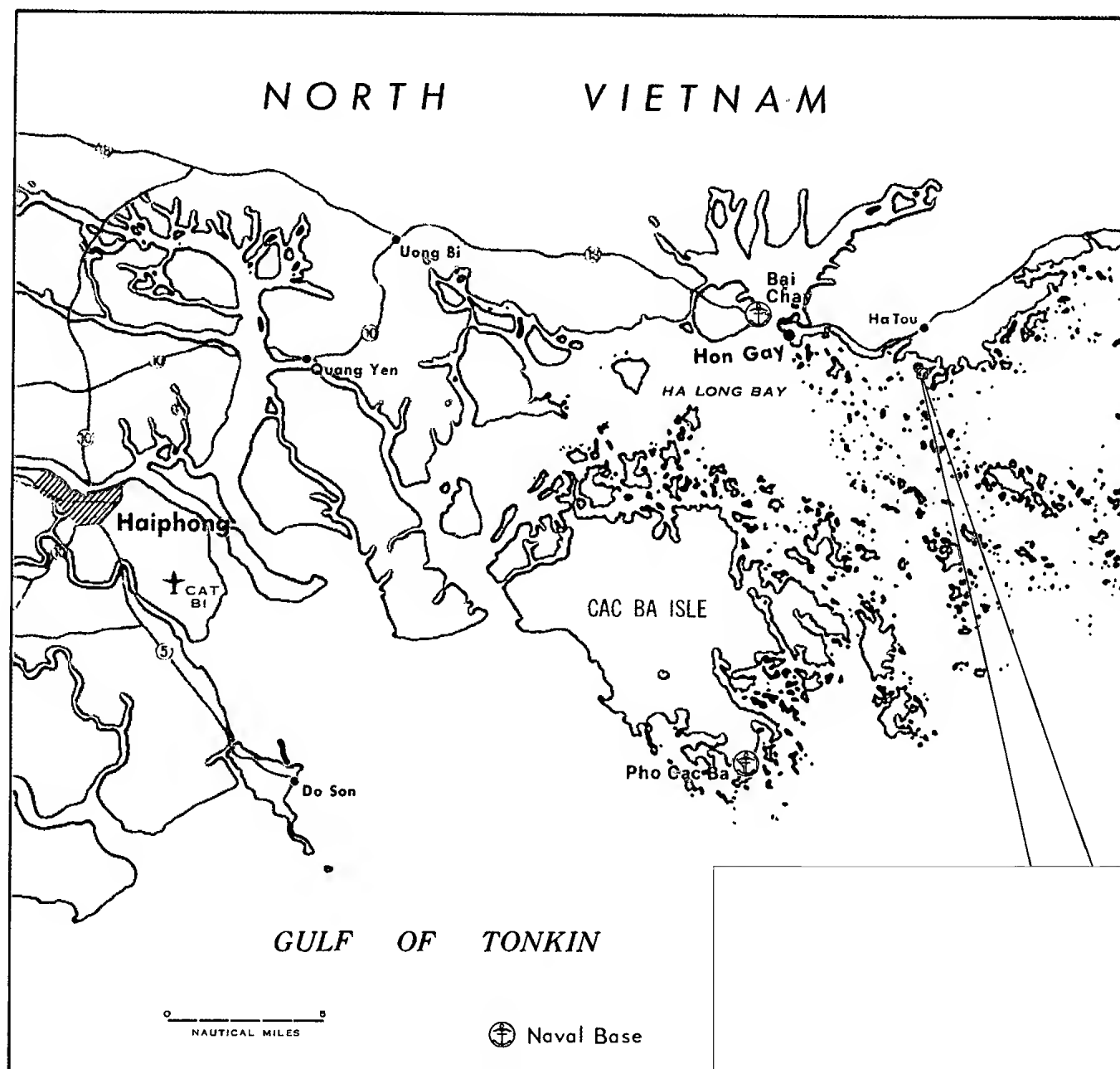


The President's Daily Brief

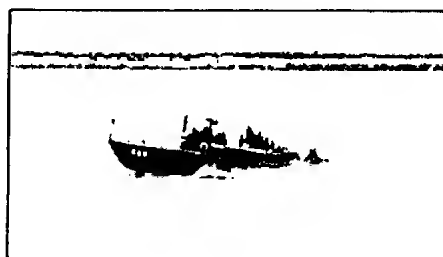
~~*Top Secret*~~ 8 March 1968



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Chinese Hydrafoil PT Boat

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DAILY BRIEF
8 MARCH 1968

1. North Vietnam

Chinese-built hydrofoil torpedo boat-- the most modern craft of its kind. Because of greater speed and stability, the North Vietnamese will find it is considerably superior to the Soviet torpedo boats which they already have. It is excellent for hit-and-run tactics, and could be used against US naval forces in the Tonkin Gulf.

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2. South Vietnam

A motion of no confidence in the government of Premier Loc has been placed before the lower house, but it is not expected to be acted upon for some weeks. Action on the government budget has priority on the agenda, and any formal recommendation of no confidence must have the approval of both houses of the assembly.

3. Panama

Robles, in a nationwide radio-TV speech yesterday, virtually slammed the door on a negotiated settlement. He announced that he had not appeared before the assembly commission investigating the charges against him because he views the entire procedure as "illegal and immoral." The impeachment process, he said, is "completely null."

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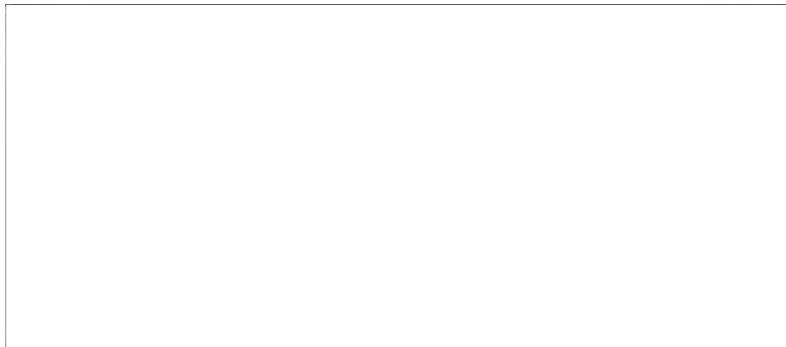
4. Warsaw Pact

The two-day pact meeting ended in Sofia yesterday without any sign of a new Soviet-Rumanian confrontation. There are no reports yet on what was discussed, and a final communiqué has not been released.

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5. Berlin



6. Western Europe

The informal arrangements by which the US and the West Europeans have traditionally organized themselves to sell gold to world buyers may be breaking down.

Most members of the so-called London Gold Pool are losing their enthusiasm for the system managed by the Bank of England. Under the system each member is expected to share the burdens of any other who is hit hard by loss of reserves to speculators and hoarders. But Italy, for instance, now finds itself already purchasing directly from the US all of the gold that it is required to provide to the pool. Other members are also wavering.

If this trend continues, the pool would lose its purpose. The US would in effect assume a 100 percent share of the gold losses in the official European gold market. The other members would retain their gold reserves, while US reserves would continue to decline.

The immediate problem is that between 29 February and 5 March losses of the pool reached \$224 million; the US in turn has had to ask members for an additional contribution of \$200 million.

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7. Czechoslovakia

The defection of the Czech general has caused a major stir in Prague. The main party daily is suggesting that the general got away because of protection given him by Novotny and his backers. Other voices are calling on the defense minister, the secret police chief, and the prosecutor general to resign.

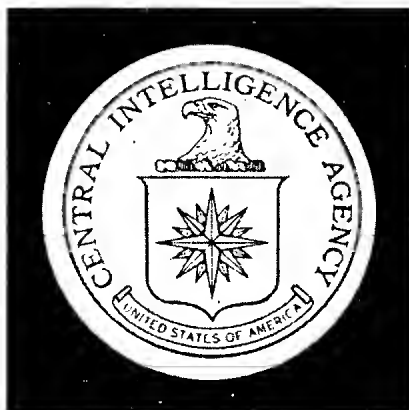
All of this comes at the best possible time for the new party secretary, Dubcek. As a result, the attacks on Novotny should pick up markedly; his resignation as president is probably not far off.

8. Philippines

US-Philippine relations took a strange turn yesterday. The Philippine Embassy in Saigon told our embassy there that, effective immediately, Clark Air Base and other US bases in the Philippines will be prohibited to US servicemen and civilian personnel visiting on leave. Clarification from Manila is expected shortly.

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FOR THE PRESIDENT'S EYES ONLY

Special Daily Report on North Vietnam



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8 March 1968

Special Daily Report on North Vietnam
for the President's Eyes Only

8 March 1968

I. NOTES ON THE SITUATION

More Comments from French Correspondent: In further debriefing by US Embassy officers in Paris, Cabanes, the former French Press Agency correspondent in Hanoi, reports that the North Vietnamese were not completely satisfied with the results of the Tet offensive. He claims that in private conversations, North Vietnamese officials have displayed disappointment over the relatively good showing made by the South Vietnamese and the fact that so few South Vietnamese members defected to the Viet Cong.

In other aspects of the war, Cabanes provided little beyond the standard optimistic North Vietnamese line. He characterizes the party's control of the population as "strong and effective." He says the North Vietnamese leadership's political dependence on Moscow and Peking is minimal, and he tries especially hard to discount Chinese influence in Hanoi. He recounts a story about North Vietnamese officials being extremely disturbed over bomb damage to Chinese vessels in Haiphong because these officials feared "it might trigger a Chicom response or the sending of Chinese volunteers into North Vietnam."

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North Vietnamese Combat Officer's View of the War: A recently captured 76-page notebook, formerly the property of a North Vietnamese signals officer, is concerned with combat strength ratios. The writer states that if the ratio is 15 allied to one Communist, "the enemy will win," but "the enemy will lose if the ratio is five to one." He believes that the ratio in April 1967, after the 1966-67 dry season, was two and one-half to one. North Vietnamese reinforcements "continue to increase day after day in order to prevent the enemy from increasing the ratio. We presently have 400,000 troops."

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The writer asserts that the Communists have the initiative in the current winter-spring campaign. He says that in 1966-67 "we succeeded in deploying the enemy to the strategic positions selected by us." He feels this year's campaign may be a good opportunity to achieve ultimate victory because opposing forces will be stretched thin.

The writer's views may not be an entirely accurate reflection of North Vietnamese strategic thinking, but they are illustrative of an apparently widespread Communist conviction that the balance of forces favors them. In earlier phases of the war, Communists were instructed to believe in ultimate victory primarily because of the righteousness of their cause. Now the emphasis is on the superiority of Communist forces and strategy.

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French Medical Aid for the Viet Cong: The Franco-Vietnamese medical association in Paris has assembled medical supplies valued at about \$20,000 for air shipment to Cambodia and onward to the Viet Cong. Funds for this particular shipment have come from the medical association and the Mouvement Du Milliard, which has previously sent medical aid to North Vietnam. The shipment reportedly will be received in Cambodia by the National Liberation Front representative there, Nguyen Van Hieu.

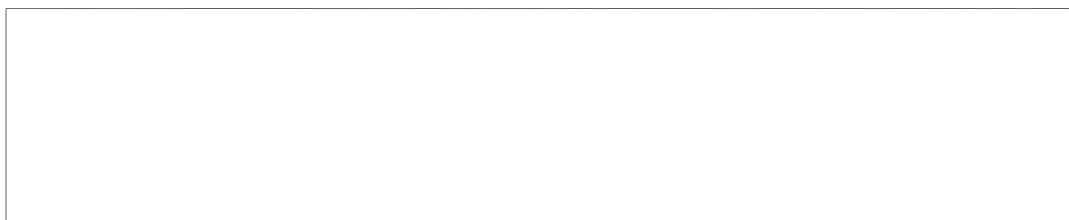
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Front Spokesman Discusses Tet Offensive: The deputy chief of the Liberation Front office in Moscow told [] recently that the Tet offensive had proven that Viet Cong military forces are still powerful and not "tired" as he claimed the Pentagon and President Johnson had alleged. He also said the objective of Viet Cong efforts is to get the Americans out of Vietnam. In tough and cocky language, he warned that the Communists are prepared to outlast the Americans despite "their stubborn nature," and that only after the US has evacuated South Vietnam "will there be negotiations."

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Hanoi Overcomes POL Problems: A detailed review of the POL situation in North Vietnam over the last year indicates that Hanoi has overcome the effects of the 1966 bombings of petroleum storage facilities. Specifically:

--POL imports were significantly larger in 1967 than in 1966. Most of the oil came by sea from the USSR. The system of lighters at Haiphong is working well.

--Consumption in 1967 was also higher than in 1966, partly because the North Vietnamese had to depend more heavily on truck transport and POL-driven electric power plants. But POL losses from bombing were drastically lower, and the net outcome was a modest increase in reserves.

--The North Vietnamese have dispersed most of their storage facilities. This dispersal has been so successful that they are not even bothering to repair the central facilities damaged in the 1966 bombings.

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II. NORTH VIETNAMESE REFLECTIONS OF US POLITICAL
ATTITUDES ON THE WAR

There is nothing of significance to report.

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